

IN THE OREGON TAX COURT  
MAGISTRATE DIVISION  
Small Claims  
Property Tax

JANET L. TERRY and JESS L. TERRY,	)	
	)	
Plaintiffs,	)	TC-MD 050492A
	)	
v.	)	
	)	
UMATILLA COUNTY ASSESSOR,	)	
	)	
Defendant.	)	<b>DECISION and JUDGMENT</b>

Plaintiffs appealed the assessment of their property, a mobile home identified as Account 125600, for the 2004-05 tax year. Plaintiffs appeared and presented their case. Defendant participated through Paul Chalmers and Angie Gallino.

I. STATEMENT OF FACTS

The property at issue is a 30-year old mobile home. Plaintiffs' complaint is that the real market value of the mobile home doubled from the 2003-04 tax year to the 2004-05 tax year. Plaintiffs contend this is contrary to the assessment statutes.

Defendant pointed out that Plaintiffs own the mobile home and the land it is located on, and verified that the assessed and maximum assessed values for the property were \$10,700 for the 2004-05 tax year, a value considerably higher than the \$6,000 at which it had been previously assessed. Defendant went on to explain that this occurred because of the relationship between maximum assessed value and real market value over time. Defendant went on to present seven sales of manufactured homes similar to the subject property which sold at times relevant to the assessment date at prices from \$69,000 to \$98,000.

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## II. ANALYSIS

Plaintiffs argue that their taxes cannot increase so dramatically from one tax year to another. Although it is true that statutes often limit the amount by which taxes increase, there are circumstances where burdens may dramatically increase. This situation is such an example.

Taxes are calculated at the lesser of the property's real market value or its maximum assessed value. *See* ORS 308.146(2).<sup>1</sup> Real market value is based on transactions. *See* ORS 308.205. Maximum assessed value is based on the historical assessment of the property. *See* ORS 308.146(1). The assessed value of a property may decrease when its real market value falls below its maximum assessed value. However, there is no limitation precluding assessed values from subsequently rising should real market values later increase to levels at or above maximum assessed value.

That is what happened here. Defendant, applying its best professional judgment, found the real market value of the subject property to be less than its maximum assessed value. Taxes were lowered. For the next tax year Defendant, after examining the market further, found the real market value of the property to be higher. The information Defendant presented to this court substantiates this conclusion. Under those circumstances, maximum assessed value, instead of real market value, became the lower figure. Plaintiffs' taxes increased. There was no error in this process.

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<sup>1</sup>All references to the Oregon Revised Statutes (ORS) are to 2003.

### III. CONCLUSION

Now, therefore,

IT IS ADJUDGED that this appeal is denied.

Dated this \_\_\_\_\_ day of January 2006.

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SCOT A. SIDERAS  
MAGISTRATE

**THIS DOCUMENT IS FINAL AND MAY NOT BE APPEALED. ORS 305.514.**

*This document was signed by Magistrate Scot A. Sideras on January 18, 2006 .  
The Court filed this document on January 18, 2006.*